



6450-01-P

DEPARTMENT OF ENERGY

Western Area Power Administration

Parker-Davis Project--Rate Order No. WAPA-162

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of Extension of Firm Electric and Transmission Service Formula Rates.

SUMMARY: This action extends the existing Parker-Davis Project (P-DP) firm electric and transmission service formula rates through September 30, 2018. The existing Firm Electric and Transmission Service Rate Schedules PD-F7, PD-FT7, PD-FCT7, and PD-NFT7 were set to expire on September 30, 2013. These firm electric and transmission service rate schedules contain formula rates that are calculated annually using updated financial and sales data.

FOR FURTHER INFORMATION CONTACT: Mr. Darrick Moe, Regional Manager, Desert Southwest Customer Service Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-6457, (602) 605-2453, e-mail moe@wapa.gov, or Mr. Jack Murray, Rates Manager, Desert Southwest Customer Service Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-6457, (602) 605-2442, e-mail jmurray@wapa.gov.

SUPPLEMENTARY INFORMATION: By Delegation Order No. 00-037.00, effective December 6, 2001, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the Administrator of the Western Area Power Administration (Western); (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates to the Federal Energy Regulatory Commission (FERC).

The existing Rate Schedules PD-F7, PD-FT7, PD-FCT7, and PD-NFT7 under Rate Order No. WAPA-138¹ were approved for a 5-year period beginning on October 1, 2008, and ending September 30, 2013.

Western proposed extending the current rate schedules pursuant to 10 CFR 903.23(a) under Rate Order No. WAPA-162. The notice of proposed extension was published in the Federal Register on June 11, 2013 (78 FR 35,022). As allowed by 10 CFR 903.23(a), Western provided for a consultation and comment period, but did not conduct public information forums or public comment forums. The consultation and comment period ended on July 11, 2013.

Following review of Western's proposal within the Department of Energy, I hereby approve Rate Order No. WAPA-162, which extends the existing Firm Electric and Transmission Service Rate Schedules PD-F7, PD-FT7, PD-FCT7, and PD-NFT7 through September 30, 2018. Rate Order No. WAPA-162 will be submitted to FERC for confirmation and approval on a final basis.
Dated: September 16, 2013

Daniel B. Poneman
Deputy Secretary

¹ FERC confirmed and approved the rate schedules on a final basis through delegated order on February 27, 2009, in Docket No. EF08-5041-000 (126 FERC ¶ 62,157).

**DEPARTMENT OF ENERGY
DEPUTY SECRETARY**

In the Matter of:)	
)	
Western Area Power Administration)	
Rate Extension for)	Rate Order No. WAPA-162
Parker-Davis Project)	
Firm Electric and Transmission Service)	
Formula Rate Schedules)	

**ORDER CONFIRMING AND APPROVING AN EXTENSION
OF THE PARKER-DAVIS PROJECT FIRM ELECTRIC AND TRANSMISSION SERVICE
FORMULA RATE SCHEDULES**

Section 302 of the Department of Energy (DOE) Organization Act (42 U.S.C. 7152) transferred to and vested in the Secretary of Energy the power marketing functions of the Secretary of the Department of the Interior and the Bureau of Reclamation under the Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent laws, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)), and other acts that specifically apply to the project involved.

By Delegation Order No. 00-037.00, effective December 6, 2001, the Secretary of Energy delegated (1) the authority to develop power and transmission rates to the Administrator of the Western Area Power Administration (Western); (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates to the Federal Energy Regulatory Commission (FERC). This extension is issued pursuant to the Delegation Order and DOE rate extension procedures at 10 CFR 903.23(a).

BACKGROUND

On February 27, 2009, in Docket No. EF08-5041-000 at 126 FERC ¶ 62,157, FERC issued an order confirming, approving, and placing into effect on a final basis the Firm Electric and Transmission Service Rate Schedules PD-F7, PD-FT7, PD-FCT7, and PD-NFT7 for the Parker-Davis Project (P-DP). The firm electric and transmission service rate schedules under Rate Order No. WAPA-138 were approved for 5 years beginning October 1, 2008, through September 30, 2013.

On June 11, 2013, pursuant to 10 CFR 903.23(a), Western published a notice in the Federal Register proposing to extend Rate Schedules PD-F7, PD-FT7, PD-FCT7, and PD-NFT7, as Rate Order No. WAPA-162 (78 FR 35,022). Western provided for a consultation and comment period, but did not conduct public information forums or public comment forums. The consultation and comment period ended on July 11, 2013.

Comments

All formally submitted comments have been considered in preparing this Rate Order. A written comment was received during the consultation and comment period from the Irrigation & Electrical Districts Association of Arizona, Arizona. The comment and response regarding the rate extension, paraphrased for brevity when not affecting the meaning of the statement, is discussed below.

Comment: The commenter wrote that it supports the proposal to extend the existing firm electric and transmission service formula rates. Further, the commenter expressed its belief that the proposal is evidence of a successful relationship between Western and the P-DP customers.

Response: Western appreciates the commenter's feedback.

DISCUSSION

On September 30, 2013, the existing Firm Electric and Transmission Service Rate Schedules PD-F7, PD-FT7, PD-FCT7, and PD-NFT7 will expire. This makes it necessary to extend the existing rate schedules under 10 CFR 903.23(a). The existing firm electric and transmission service formula rates provide adequate revenue to pay all annual costs, including interest expense, and to repay investment within the cost recovery criteria set forth in DOE Order RA 6120.2. Rate Order No. WAPA-162 extends the existing rate schedules through September 30, 2018, thereby continuing to ensure project repayment within the cost recovery criteria.

ORDER

In view of the forgoing and under the authority delegated to me, I hereby extend from October 1, 2013, and ending September 30, 2018, the existing Firm Electric and Transmission Service Rate Schedules PD-F7, PD-FT7, PD-FCT7, and PD-NFT7 on an interim basis for service for the Parker-Davis Project. The existing Firm Electric and Transmission Service Rate Schedules PD-F7, PD-FT7, PD-FCT7, and PD-NFT7 for service for the Parker-Davis Project, shall remain in effect pending FERC confirmation and approval of their extension or substitute rates on a final basis through September 30, 2018.

Dated: September 16, 2013

Daniel B. Poneman
Deputy Secretary

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